

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

Texas E&P Operating Inc.

Case No. 17-34386-sgj-11

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY, AND DISCLAIMER
REGARDING DEBTOR'S SCHEDULES AND STATEMENTS**

General

The Schedules of Assets and Liabilities (collectively, the "Schedules") and the Statements of Financial Affairs (collectively, the "Statements") and, together with the Schedules, the "Schedules and Statements") filed by Texas E&P Operating Inc., debtor in possession (the "Debtor") in this Chapter 11 case (the "Chapter 11 Case") pending in the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court") were prepared, pursuant to section 521 of Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), by management of the Debtor, with the assistance of the Debtor's counsel, and are unaudited. While the Debtor's management has made every reasonable effort to ensure that the Schedules and Statements are as accurate and complete as possible under the circumstances, based on information that was available to it at the time of preparation, subsequent information or discovery may result in material changes to these Schedules and Statements, and inadvertent errors or omissions may have occurred. As the Schedules and Statements contain unaudited information, which is subject to further review, verification, and potential adjustment, there can be no assurance that these Schedules and Statements are complete. The Debtor reserve all rights to amend the Schedules and Statements from time to time, in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or otherwise assert offsets or defenses to any claim reflected in the Schedules and Statements as to amount, liability, or classification, or to otherwise subsequently designate any claim as "disputed," "contingent," or "unliquidated." Furthermore, nothing contained in the Schedules and Statements shall constitute a waiver of rights with respect to these Chapter 11 Case, including, but not limited to, issues involving substantive consolidation, equitable subordination and/or causes of action arising under the provisions of Chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws to recover assets or avoid transfers.

The Schedules and Statements have been signed by Mark Plummer, President and CEO of the Debtor. In reviewing and signing the Schedules and Statements, Mr. Plummer necessarily relied upon the efforts, statements, and representations of the Debtor's other personnel and professionals. Mr. Plummer has not (and could not have) personally verified the accuracy of each such statement and representation, including, for example, statements and representations concerning amounts owed to creditors, classification of such amounts, and their addresses. The Debtor's production, finance, and accounting systems were primarily designed and used to manage and track oil and gas production with a secondary focus on the creation of financial statements.

These Global Notes and Statement of Limitations, Methodology, and Disclaimer Regarding the Debtor's Schedules and Statements (the "Global Notes") are incorporated by reference in, and comprise an integral part of, the Schedules and Statements, and should be referred to and considered in connection with any review of the Schedules and Statements.

In the event that the Schedules and Statements differ from the Global Notes, the Global Notes shall control.

Description of the Cases

On November 29, 2017 (the "Petition Date"), the Debtor filed a voluntary petition for relief under the Bankruptcy Code in the Bankruptcy Court. The Debtor continues to operate its business and manage its properties as Debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtor's fiscal year ends on December 31. All asset information, except where otherwise noted, is as of November 30, 2017. The liability information, except where otherwise noted, is as of the close of business on November 28, 2017. All bank cash balances are as of the Petition Date. All YTD 2017 revenue is reflected as of 2017.

Basis of Presentation

These Schedules and Statements do not purport to represent financial statements prepared in accordance with GAAP nor are they intended to fully reconcile to the financial statements prepared by the Debtor. Information contained in the Schedules and Statements has been derived from the Debtor's books and records and historical financial statements. Debtor accounts for its oil and gas interests under the full cost method. As such, Debtor has presented its oil and gas interests as real property, net of dispositions, depletion and ceiling test impairments. The fair market value of real and personal property may vary materially from the value presented herein.

Current Market Value and Net Book Value

In many instances, current market valuations are neither maintained by nor readily ascertainable by the Debtor. It would be prohibitively expensive and unduly burdensome to obtain current market valuations of the Debtor's property interests that are not maintained or readily ascertainable. Accordingly, unless otherwise indicated, the Schedules and Statements reflect either the net book values or the Debtor's estimate of values as of November 29, 2017, rather than current market values, of the Debtor's assets as of November 30, 2017 and may not reflect the net realizable value. For this reason, amounts ultimately realized will vary, potentially materially, from the value set forth in the Schedules. Additionally, the amount of certain assets and liabilities may be "undetermined," and, thus, ultimate assets and liabilities may differ materially from those stated in the Schedules and Statements.

Amendment

Reasonable efforts have been made to prepare and file complete and accurate Schedules and Statements; however, inadvertent errors or omissions may exist. The Debtor reserves all rights to amend and/or supplement the Schedules and Statements from time to time as is necessary and appropriate.

Causes of Action

Despite its reasonable efforts to identify all known assets, the Debtor may not have listed all of its causes of action or potential causes of action against third parties as assets in their Schedules and Statements, including, but not limited to, avoidance actions arising under Chapter 5 of the Bankruptcy Code and actions under other relevant non-bankruptcy laws to recover assets. The Debtor reserves all of its rights with respect to any claims, causes of action, or avoidance actions they may have, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such claims, causes of actions, or avoidance actions or in any way prejudice or impair the assertion of such claims.

Recharacterization

The Debtor has made reasonable efforts to correctly characterize, classify, categorize, and designate the claims, assets, executory contracts, unexpired leases, and other items reported in the Schedules and Statements. However, due to the complexity and size of the Debtor's business, the Debtor may have improperly characterized, classified, categorized, or designated certain items. The Debtor thus reserves all of its rights to recharacterize, reclassify, recategorize, or redesignate items reported in the Schedules and Statements at a later time as necessary or appropriate as additional information becomes available.

Claim Description

Any failure to designate a claim in the Schedules and Statements as "contingent," "unliquidated," or "disputed" does not constitute an admission by the Debtor that such claim or amount is not "contingent," "unliquidated," or "disputed." The Debtor reserves all of its rights to dispute, or to assert offsets or defenses to, any claim reflected on their Schedules or Statements on any grounds, including, but not limited to, amount, liability, priority, status, or classification, or to otherwise subsequently designate any claim as "contingent," "unliquidated," or "disputed." Moreover, the Debtor reserve all of its rights to amend the Schedules and Statements as necessary and appropriate, including, but not limited to, with respect to claim description and designation.

Bankruptcy Court Orders

Pursuant to certain orders of the Bankruptcy Court entered in the Debtor's Chapter 11 Case, the Debtor was authorized (but not directed) to pay, among other things, certain prepetition claims of employees, taxing authorities, and certain other prepetition creditors. Accordingly, these liabilities may have been or may be satisfied in accordance with such orders and therefore generally are not listed in the Schedules and Statements.

Valuation

It would be prohibitively expensive, unduly burdensome, and an inefficient use of estate assets for the Debtor to obtain current market valuations of all of its assets. Accordingly, unless otherwise indicated, the Debtor has used estimated values as of November 29, 2017 in the Schedules and Statements. Exceptions to this include operating cash. Operating cash is presented at bank balances as of the Petition Date. Amounts ultimately realized may vary from estimated value (or whatever value was ascribed) and such variance may be material. Accordingly, the Debtor reserves all of its rights to amend or adjust the value of each asset set forth herein.

Dates

The information provided herein, except as otherwise noted, represents the asset data of the Debtor as of November 29, 2017.

Contingent Assets

The Debtor believes that it may possess certain claims and causes of action against various parties. Additionally, the Debtor may possess contingent claims in the form of various avoidance actions it could commence under the provisions of Chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws. The Debtor, despite reasonable efforts, may not have set forth all of their causes of action against third parties as assets in their Schedules and Statements. The Debtor reserves all of its rights with respect to any claims, causes of action, or avoidance actions they may have and nothing contained in these Global Notes or the Schedules and Statements shall be deemed a waiver of any such claims, avoidance actions, or causes of action or in any way prejudice or impair the assertion of such claims.

Estimates

To prepare and file the Schedules on or before December 14, 2017, management was required to make certain estimates and assumptions that affected the reported amounts of these assets and liabilities.

Fiscal Year

The Debtor's fiscal year ends on December 31.

Currency

Unless otherwise indicated, all amounts are reflected in U.S. dollars.

Totals

All totals that are included in the Schedules and Statements represent totals of all the known amounts included in the Schedules and Statements.

Fill in this information to identify the case:Debtor name Texas E&P Operating, Inc.United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXASCase number (if known) 17-34386-sgj-11☐ Check if this is an amended filing**Official Form 207****Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**

04/16

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income**1. Gross revenue from business**☐ None.

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year

Sources of revenue
Check all that applyGross revenue
(before deductions and exclusions)From the beginning of the fiscal year to filing date:
From 1/01/2017 to Filing Date☒ Operating a business
☐ Other _____\$1,664,345.20For prior year:
From 1/01/2016 to 12/31/2016☒ Operating a business
☐ Other _____\$3,991,082.74For year before that:
From 1/01/2015 to 12/31/2015☒ Operating a business
☐ Other _____\$2,268,476.80**2. Non-business revenue**

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

☐ None.

Description of sources of revenue

Gross revenue from
each source
(before deductions and exclusions)From the beginning of the fiscal year to filing date:
From 1/01/2017 to Filing DateInterest/Royalties\$24,938.77For prior year:
From 1/01/2016 to 12/31/2016Interest/Royalties\$1,423.59For year before that:
From 1/01/2015 to 12/31/2015Interest/Royalties\$805.20**Part 2: List Certain Transfers Made Before Filing for Bankruptcy**

Debtor **Texas E&P Operating, Inc.**Case number (if known) **17-34386-sgj-11****3. Certain payments or transfers to creditors within 90 days before filing this case**

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

☐ None.

Creditor's Name and Address	Dates	Total amount of value	Reasons for payment or transfer Check all that apply
3.1. See Exhibit SoFA #3 Payments (90 Days)		\$247,623.87	<input type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input checked="" type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

☐ None.

Insider's name and address Relationship to debtor	Dates	Total amount of value	Reasons for payment or transfer
4.1. Mark Plummer 410 Ridgeview Dr. Richardson, TX 75080 President, CEO and Owner	02/15/2017	\$17,656.00	Transfer of Vehicle Title
4.2. Mark Plummer 410 Ridgeview Dr. Richardson, TX 75080	See Exhibit SoFA #4 Payments (1 yr)	\$459,393.86	Payments to Prosperity Bank
4.3. Mark Plummer 410 Ridgeview Dr. Richardson, TX 75080	See Exhibit SoFA #4 Expense Reimburs ements	\$6,617.71	Expense Reimbursements

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

☒ None

Creditor's name and address	Describe of the Property	Date	Value of property
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6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

☐ None

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
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Debtor Texas E&P Operating, Inc.Case number (if known) 17-34386-sgj-11

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
Prosperity Bank 1330 S. Harvard Ave., Suite 1 Tulsa, OK 74112	Swept available funds from account #XXX-5045 Last 4 digits of account number: _____		\$5,259.91

Part 3: Legal Actions or Assignments**7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits**

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

☐ None.

Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.1. See Exhibit SoFA #7 Legal Actions			<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

☐ None

Custodian's name and Address	Describe the property	Value
Dialog Wireline Services, L.L.C. c/o Shane McGuire The McGuire Firm, PC 305 S. Broadway, Ste 504 Tyler, TX 75702	Receivership appointed 12/21/2015; receiver seized monies due to debtor; and seized Dallas Cowboys season tickets.	\$120,903.07
	Case title Dialog Wireline Services, L.L.C. v Chest Case number DCCV15-216-3 Date of order or assignment 12/21/2015	Court name and address District Court of Anderson County TX 3rd Judicial District Court 500 N. Church St., Rm 18 Palestine, TX 75801
Petroleum Producing Services, LLC c/o Giancarlo Nisimblat Nisimblat & Basart, PLLC P. O. Box 4154 Alice, TX 78333	Receivership appointed 08/23/2017; receiver seized monies due to debtor; seized Dallas Cowboys individual tickets for 1 game.	\$204,158.00
	Case title Petroleum Producing Services, LLC v Ches Case number 15-06-54726-CV Date of order or assignment 08/23/2017	Court name and address In the County Court at Law, Jim Wells County, Texas P. O. Box 1459 Alice, TX 78333

Debtor Texas E&P Operating, Inc.Case number (if known) 17-34386-sgj-11

Custodian's name and Address	Describe the property	Value
Ram-Gear Manufacturing, Inc. c/o Giancarlo Nisimblat Nisimblat & Basart, PLLC P. O. Box 4154 Alice, TX 78333	Receivership appointed 08/23/2017; receiver seized monies due debtor; seized Dallas Cowboys individual tickets.	\$73,720.00
	Case title Ram-Gear Manufacturing, Inc. v Chestnut	Court name and address In the County Court at Law
	Case number 15-06-54756-CV	Jim Wells County, TX
	Date of order or assignment 08/23/2017	P. O. Box 1459 Alice, TX 78333

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000

☒ None

Recipient's name and address	Description of the gifts or contributions	Dates given	Value
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Part 5: Certain Losses

10. All losses from fire, theft, or other casualty within 1 year before filing this case.

☒ None

Description of the property lost and how the loss occurred	Amount of payments received for the loss	Dates of loss	Value of property lost
	If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received. List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property).		

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

☐ None.

Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.1. Richard Goldenberg 18 Audubon Place New Orleans, LA 70118			\$30,000.00

Email or website address

Who made the payment, if not debtor?

Debtor Texas E&P Operating, Inc.Case number (if known) 17-34386-sgj-11

	Who was paid or who received the transfer? Address	If not money, describe any property transferred	Dates	Total amount or value
11.2.	McGuire, Craddock & Strother, P.C. 2501 N. Harwood, Suite 1800 Dallas, TX 75201	For payment to Capital Services for lien searches in TX, LA & NM	10/06/2017	\$7,244.00

Email or website address _____

Who made the payment, if not debtor?
Texas E&P Funding, Inc.

11.3.	McGuire, Craddock & Strother, P.C. 2501 N. Harwood, Suite 1800 Dallas, TX 75201	Retainer \$100,000 and filing fee \$1,717	11/28/2017	\$101,717.00
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Email or website address _____

Who made the payment, if not debtor?
Texas E&P Funding, Inc.**12. Self-settled trusts of which the debtor is a beneficiary**

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device.

Do not include transfers already listed on this statement.

☒ None.

Name of trust or device	Describe any property transferred	Dates transfers were made	Total amount or value
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13. Transfers not already listed on this statement

List any transfers of money or other property by sale, trade, or any other means made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

☒ None.

Who received transfer? Address	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
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Part 7: Previous Locations**14. Previous addresses**

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

☒ Does not apply

Address _____

Dates of occupancy
From-To _____**Part 8: Health Care Bankruptcies****15. Health Care bankruptcies**

Is the debtor primarily engaged in offering services and facilities for:

- diagnosing or treating injury, deformity, or disease, or
- providing any surgical, psychiatric, drug treatment, or obstetric care?

Debtor Texas E&P Operating, Inc.Case number (if known) 17-34386-sgj-11

- ☒ No. Go to Part 9.
- ☐ Yes. Fill in the information below.

Facility name and address

Nature of the business operation, including type of services the debtor provides

If debtor provides meals and housing, number of patients in debtor's care

Part 9: Personally Identifiable Information**16. Does the debtor collect and retain personally identifiable information of customers?**

- ☐ No.
- ☒ Yes. State the nature of the information collected and retained.

Royalty - Working Interest Payments: name, address, phone, email, and SSN/EIN

Does the debtor have a privacy policy about that information?

- ☒ No
- ☐ Yes

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- ☐ No. Go to Part 10.
- ☒ Yes. Does the debtor serve as plan administrator?

☐ No Go to Part 10.☒ Yes. Fill in below:

Name of plan

Chestnutt Exploration 401(K) Plan

Employer identification number of the plan

EIN: 75-2558350

Has the plan been terminated?

- ☒ No
- ☐ Yes

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units**18. Closed financial accounts**

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

☐ None

	Financial Institution name and Address	Last 4 digits of account number	Type of account or instrument	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
18.1.	Bank of Texas P. O. Box 29775 Dallas, TX 75229	XXXX-9567	<input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money Market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other ____	06/30/2017	\$3,544.73

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

Debtor Texas E&P Operating, Inc.Case number (if known) 17-34386-sgj-11☒ None

Depository institution name and address

Names of anyone with
access to it
Address

Description of the contents

Do you still
have it?**20. Off-premises storage**

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

☒ None

Facility name and address

Names of anyone with
access to it

Description of the contents

Do you still
have it?**Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own****21. Property held for another**

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

☒ None**Part 12: Details About Environment Information**

For the purpose of Part 12, the following definitions apply:

Environmental law means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).*Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.*Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.☐ No.☒ Yes. Provide details below.Case title
Case numberRailroad Commission of Texas v.
Chestnut Exploration and Production,
Inc.
Oil and Gas Docket Nos. 04-299463;Court or agency name and
addressRailroad Commission of
Texas
1701 N. Congress Ave.
Austin, TX 78711

Nature of the case

Case Nos. cont. 6E-099578;
04-0300744Nature: Enforcement actions
for statewide rule violations

Status of case

☐ Pending
☐ On appeal
☒ Concluded**23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?**☒ No.☐ Yes. Provide details below.

Site name and address

Governmental unit name and
address

Environmental law, if known

Date of notice

24. Has the debtor notified any governmental unit of any release of hazardous material?

Debtor **Texas E&P Operating, Inc.**Case number (if known) **17-34386-sgj-11**

- ☒ No.
☐ Yes. Provide details below.

Site name and address Governmental unit name and address Environmental law, if known Date of notice

Part 13: Details About the Debtor's Business or Connections to Any Business**25. Other businesses in which the debtor has or has had an interest**

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

☒ None

Business name address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.	Dates business existed
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26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

☐ None

Name and address	Date of service From-To
26a.1. Braden Tingle 2037 Michelle Creek Dr. Little Elm, TX 75068	05/20/2013 to 04/01/2016
26a.2. Sharon Swaney 1701 Royal Lane #6208 Dallas, TX 75229	04/04/2016 to 06/15/2016
26a.3. Kelsey Taylor 2320 Canton St., Apt. 1131 Dallas, TX 75201	04/01/2015 to Present
26a.4. Hazel Hu 732 Melrose Dr. Richardson, TX 75080	06/13/2016 to 07/31/2017
26a.5. Yunfei Shan 2425 Greenwich Dr. Carrollton, TX 75006	06/30/2017 to Present

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

☐ None

Name and address	Date of service From-To
26b.1. Moss Adams 8750 N. Central Expy., Suite 300 Dallas, TX 75231	2005 to Present

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

☐ None

Name and address	If any books of account and records are unavailable, explain why
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Debtor **Texas E&P Operating, Inc.**Case number (if known) **17-34386-sgj-11****Name and address**

If any books of account and records are unavailable, explain why

26c.1. **Texas E&P Operating, Inc.**
2201 N. Central Expy., Suite 240
Richardson, TX 75080

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

☐ None

Name and address

26d.1. **Prosperity Bank**
c/o John Hodge & R. Joseph Naus, Esqs.
Wiener, Weiss & Madison, P.C.
P. O. Box 21990
Shreveport, LA 71120

26d.2. **Proposed Lenders:**
See Exhibit SoFA EX #26d.2 - Lenders

26d.3. **Judgment Creditors:**
(See Schedule D for Judgment Creditors)

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

☒ No

☐ Yes. Give the details about the two most recent inventories.

Name of the person who supervised the taking of the inventory

Date of inventory

The dollar amount and basis (cost, market, or other basis) of each inventory

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position and nature of any interest	% of interest, if any
Mark Plummer	410 Ridgeview Dr. Richardson, TX 75080	President, CEO and Owner	100

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

☒ No

☐ Yes. Identify below.

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

☐ No

☒ Yes. Identify below.

Debtor Texas E&P Operating, Inc.Case number (if known) 17-34386-sgj-11

	Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.1	Mark Plummer 410 Ridgeview Dr. Richardson, TX 75080	\$270,000.00	11/30/2016 to 11/29/2017	Salary
	Relationship to debtor President, CEO and Owner			

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

- ☒ No
☐ Yes. Identify below.

Name of the parent corporation

Employer Identification number of the parent corporation

32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

- ☒ No
☐ Yes. Identify below.

Name of the parent corporation

Employer Identification number of the parent corporation

Part 14: Signature and Declaration

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both.
18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 14, 2017/s/ Mark A. Plummer

Signature of individual signing on behalf of the debtor

Mark A. Plummer

Printed name

Position or relationship to debtor PresidentAre additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

- ☒ No
☐ Yes

	A	B	C	D	E	F	G	H
1	creditor name	address		dates of payment				total amount
2	CBS Radio Stations	P.O. Box 730224		9/22/2017				7,000.00
3		Dallas, TX 75373		9/29/2017				7,000.00
4				10/2/2017				7,000.00
5				10/13/2017				7,000.00
6				11/20/2017				3,500.00
7				11/16/2017				1,750.00
8				11/27/2017				7,000.00
9								40,250.00
10								
11	Contego Solutions, L.L.C.	2211 Commerce Street, Ste 100		10/18/2017				8,062.33
12		Dallas, TX 75201		11/30/2017				2,498.81
13				11/30/2017				2,885.82
14								13,446.96
15								
16	Jett Testers	703 Alice Street		10/20/2017				3,100.00
17		Jennings, LA 70546		10/27/2017				3,100.00
18				11/13/2017				3,100.00
19				11/22/2017				3,100.00
20								12,400.00
21								
22	Krage & Janvey	2100 Ross Avenue, Suite 2600		9/26/2017				20,000.00
23		Dallas, TX 75201		11/6/2017				10,000.00
24				11/8/2017				10,000.00
25								40,000.00
26								
27	L&B Oil and Gas	P.O. Box 3054		9/27/2017				4,226.00
28		Mission, TX 78573		11/3/2017				4,566.00
29								8,792.00
30								
31								
32	McQ Media Inc.	1501 South Loop 288		9/25/2017				4,000.00
33		Suite 104 - PMB 312		10/3/2017				5,000.00
34		Denton, TX 76205		11/13/2017				2,000.00
35				11/27/2017				5,000.00
36								16,000.00
37								
38								
39	Odessa Pumps	1108 Albrad St, Suite B		10/30/2017				784.81
40		Pharr, TX 78577		11/6/2017				609.45
41				11/13/2017				6,491.75
42								7,886.01
43								
44	Reliant	PO BOX 3765		10/30/2017				17,010.60
45		Houston, TX 77253		11/6/2017				13,655.30
46								30,665.9
47								
48	Railroad Commission of Texas	1701 N Congress Ave		12/1/2017				78,183.00
49		Austin, TX 78711						78,183.0

	A	B	C
1	Date	Description	Amount
2	9/18/2017	Pay First Check F	(5,259.91)
3	6/27/2017	Pay First Check F	(7,976.86)
4	5/30/2017	Pay First Check F	(19,284.88)
5	5/25/2017	Pay First Check F	(36,957.45)
6	5/10/2017	Force Pay Debit 2011630290	(509.21)
7	4/26/2017	Pay First Check F	(24,006.43)
8	4/25/2017	Pay First Check F	(48,075.97)
9	3/29/2017	Pay First Check F	(24,971.49)
10	3/28/2017	Pay First Check F	(32,758.75)
11	3/23/2017	Pay First Check F	(69,180.64)
12	2/27/2017	Force Pay Debit	(33,007.37)
13	2/24/2017	Force Pay Debit	(42,874.68)
14	2/6/2017	Transfer Withdrawal F	(84,010.22)
15	2/3/2017	Force Pay Debit 2088836550	(1,000.00)
16	1/30/2017	Force Pay Debit	(3,520.00)
17	1/4/2017	Transfer Withdrawal F	(15,000.00)
18	12/6/2016	Pay First Check F	(5,000.00)
19	11/30/2016	Transfer Withdrawal F	(6,000.00)
20		Total	(459,393.86)
21			

	A	B	C	D	E	F	G	H	I	J	K
1											
2	Texas E&P Operating, Inc.										
3											
4	Invoices Paid										
5											
6	By Check Date from 11/29/2016 to 11/29/2017								Date: 12/13/2017		
7											
8											
9	For Selected Vendors										
10											
11											
12											
13	-----Invoice-----								-----Check-----		
14	Number	Date	Original Amt	Due Date	Disc Amt	Disc Date	Net Due	Number	Date	Amount	
15											
16	MARKPLUM	Mark Plummer									
17											
18											
19	011817	1/18/2017	750.00	1/18/2017	0.00	1/18/2017	0.00	10169	1/18/2017	750.00	
20											
21											
22	012717	1/27/2017	833.71	1/27/2017	0.00	1/27/2017	0.00	10177	1/27/2017	833.71	
23											
24											
25	042617	4/26/2017	5,034.00	4/26/2017	0.00	4/26/2017	0.00	532	4/26/2017	5,034.00	
26											
27											
28	Vendor Totals:		6,617.71		0.00		0.00			6,617.71	
29											
30											
31	Report Totals:		6,617.71		0.00		0.00			6,617.71	
32											
33											
34											
35	Copyright Avatar Systems Inc.										Page No 1
36	1-800-490-0055 www.avatarsystems.net										

	A	B	C	D	E	F	G	H	I
1	Status Code	Original Petition Date	Per Capitol Services	Current Status	Company	Named Party	Cause No.	Jurisdiction	Court
2	Suit	3/29/2017	Suit	Pending	5J Oilfield Services, LLC	Chestnut Exploration and Production, Inc.	12996	Anderson County	CCL
3	Suit	7/5/2017			BlueLine Rental, LLC	Texas E&P Operating, Inc. f/k/a Chestnut Exploration and Production, Inc. d/b/a Chestnut Exploration & Production, Inc. f/k/a Chestnut Petroleum, Inc. and Mark Plummer a/k/a Mark Allan Plummer a/k/a Mark Allen Plummer	2017-004034-1	Tarrant County	CCL1
4	Suit	7/18/2017			BSC Rod Lift Solutions, LLC	Texas E&P Operating, Inc. and Mark Plummer, Guarantor, Jointly and Severally Liable	DC-17-08564	Dallas County	298 DC
5	Suit	7/13/2017			Chestnut Production Fund IV, LP and Stephen Robinson	Texas E&P Operating, Inc., Texas E&P Funding, Inc., Texas E&P Partners, Inc., and Mark Plummer	DC-17-08359	Dallas County	101st DC
6	Suit	3/28/2017			CSI Compressco LP	Texas E&P Operating, Inc. d/b/a Chestnut Exploration and Production, Inc.		Jackson County	
7	Suit	2/14/2017			Flatrock Compression, Ltd.	Chestnut Exploration and Production, Inc.	CC-17-00812-B	Dallas County	CCL2
8	Suit	6/13/2017	Suit	Pending	Globe Energy Services, LLC	Chestnut Exploration, Inc.	2017-CV-0185-A	Willacy County	197th DC
9	Settlement	6/23/2017		Settled	Michael Alan Olson d/b/a IC Apiary	Texas E&P Operating, Inc. d/b/a Chestnut Exploration & Production, Inc.	CV1-18353	Victoria County	CCL1
10	Suit	1/26/2017			National Oilwell DHT LP	Texas E&P Operating, Inc. d/b/a Chestnut Exploration & Production, Inc.	1088571	Harris County	CCL4
11	Suit	2/17/2017	Suit	Pending	Patco Completion Services, Inc.	Texas E&P Operating, Inc.	2017-674 E	Calcasieu Parish	14th DC
12	Suit	1/6/2017			Tadlock Pipe & Rentals, Inc.	Texas E&P Operating, Inc.	DC-17-00185	Dallas County	193rd DC
13	Suit	4/26/2017			Thomas Services LA, LLC	Texas E&P Operating, Inc.	2017-002596-2	Tarrant County	CCL2
14									

	A	B
1	Name	Address
2	Maison Placements Canada, Inc.	130 Adelaid St West Ste 2116, Toronto, Canada MSH 3PS
3	Richard Goldenberg	18 Audobon Place, New Orleans, LA 70118
4	Force 10 Partners	20341 SW Birch Ste 220, Newport Beach, CA 92660
5	Arena Investors L.P.	405 Lexington Ave 59th Floor, New York, New York 10174
6	Arent Fox L.L.P.	1675 Broadway, New York, New York 10019
7	Casimir Capital L.P.	15 Valley Dr, Greenwich, CT 06831
8	VFI Corporate Finance	6340 South 3000 East 4th Floor, Salt Lake City, UT 84121